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SENATE BILL 3138 By
Herron

HOUSE BILL 3197
By Odom

AN ACT to amend Tennessee Code Annotated, Title 47, Chapter 50, to prohibit certain provisions in contracts with health care providers.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 47, Chapter 50, is amended by adding the following language as a new, appropriately designated section:

Section __. After the effective date of this act, it is an offense for any person, including without limitation any entity licensed pursuant to Tennessee Code Annotated, Title 56, to offer or agree to a contract for professional health care services which contains a provision to automatically reduce the payment to be made for services by any licensed health care facility or licensed health care professional if such health care facility or health care professional agrees to accept lower payment for such services from another purchaser of such services. Nothing herein shall prohibit a licensed health care facility or licensed health care professional from entering into an agreement to discount or reduce amounts to be paid for professional services.

The provisions of this section shall apply only to contracts entered into after the effective date of this act and shall in no way affect or impair existing contracts as of the effective date of this act.

SECTION 2. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

SECTION 3. This act shall take effect upon becoming a law, the public welfare requiring it